

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2004

	March-04					December-03				September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter Policy	Month Net ROR	Market Value	Allocation	Actual	Quarter Net ROR	Market Value	Allocation	Actual	Quarter Net ROR	Net ROR	Net ROR	6/30/2003 Net	6/30/2003 Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
LA Capital	56,474,277	4.3%	4.5%	-0.35%	-1.87%	56,596,294	4.4%	4.5%	9.09%	51,838,717	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	10	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	56,474,287	4.3%	4.5%	-0.35%	-1.87%	56,596,294	4.4%	4.5%	9.09%	51,838,717	4.4%	4.5%	6.61%	15.90%	-1.48%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				0.79%	-1.86%				10.41%				3.92%	15.64%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>																	
LSV	60,837,450	4.6%	4.5%	6.04%	0.15%	62,431,391	4.9%	4.5%	15.58%	54,142,627	4.6%	4.5%	3.33%	26.64%	-2.05%	9.06%	3.95%
<i>Russell 1000 Value</i>				3.03%	-0.88%				14.19%				2.06%	20.07%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	59,556,959	4.5%	4.5%	1.58%	-1.52%	58,574,591	4.6%	4.5%	11.77%	52,397,265	4.5%	4.5%	2.87%	16.80%	1.08%	N/A	N/A
<i>Russell 1000</i>				1.90%	-1.36%				12.26%				3.00%	17.83%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																	
Northern Trust	56,488,320	4.3%	4.5%	1.81%	-1.56%	55,434,137	4.4%	4.5%	12.40%	49,310,551	4.2%	4.5%	2.50%	17.30%	0.28%	N/A	N/A
Strong	58,734,387	4.5%	4.5%	2.68%	-1.20%	57,156,326	4.5%	4.5%	12.76%	50,694,242	4.3%	4.5%	2.89%	19.12%	3.30%	N/A	N/A
Westridge	61,494,988	4.7%	4.5%	1.73%	-1.51%	60,396,621	4.7%	4.5%	12.22%	53,820,227	4.6%	4.5%	2.65%	17.19%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	176,717,695	13.4%	13.5%	2.07%	-1.42%	172,987,083	13.6%	13.5%	12.46%	153,825,020	13.1%	13.5%	2.68%	17.86%	1.35%	N/A	N/A
<i>S&P 500</i>				1.69%	-1.51%				12.18%				2.64%	17.09%	0.24%	N/A	N/A
<i>S&P 500 Index</i>																	
State Street	39,890,540	3.0%	3.0%	1.68%	-1.51%	39,199,011	3.1%	3.0%	12.16%	34,944,955	3.0%	3.0%	2.64%	17.06%	0.31%	-11.14%	-1.58%
<i>S&P 500</i>				1.69%	-1.51%				12.18%				2.64%	17.09%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	393,476,931	29.9%	30.0%	2.20%	-1.27%	389,788,370	30.6%	30.0%	12.31%	347,148,586	29.7%	30.0%	3.02%	18.24%	0.49%	-9.68%	-2.32%
<i>S&P 500</i>				1.69%	-1.51%				12.18%				2.64%	17.09%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	139,871,399	10.6%	10.0%	6.62%	1.37%	135,948,739	10.7%	10.0%	14.87%	122,768,785	10.5%	10.0%	9.68%	34.34%	0.68%	N/A	N/A
<i>Russell 2000 + 200bp</i>				6.78%	1.10%				15.07%				9.60%	34.67%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	139,871,399	10.6%	10.0%	6.62%	1.37%	135,948,739	10.7%	10.0%	14.87%	122,768,785	10.5%	10.0%	9.68%	34.34%	0.68%	-3.37%	-0.65%
<i>Russell 2000</i>				6.26%	0.93%				14.52%				9.07%	32.73%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																	
<i>Large Cap - Core</i>																	
State Street	27,601,126	2.1%	2.0%	4.40%	0.78%	29,040,623	2.3%	2.0%	14.32%	25,214,812	2.2%	2.0%	6.08%	26.60%	-9.96%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				4.09%	0.33%				13.15%				6.58%	25.53%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>																	
Capital Guardian	68,755,202	5.2%	5.0%	3.06%	-0.21%	70,169,475	5.5%	5.0%	13.62%	61,325,566	5.2%	5.0%	7.45%	25.81%	-11.30%	-14.96%	0.47%
Bank of Ireland	13,682,145	1.0%	1.0%	1.56%	-1.71%	13,799,845	1.1%	1.0%	17.43%	11,668,820	1.0%	1.0%	2.64%	22.41%	-10.28%	N/A	N/A
Total Large Cap - Active	82,437,347	6.3%	6.0%	2.81%	-0.46%	83,969,319	6.6%	6.0%	14.22%	72,994,387	6.2%	6.0%	6.65%	25.24%	-11.12%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				4.09%	0.33%				13.15%				6.58%	25.53%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>																	
Lazard	14,199,242	1.1%	1.0%	9.25%	2.36%	13,934,493	1.1%	1.0%	14.41%	13,370,769	1.1%	1.0%	10.66%	38.32%	-2.32%	N/A	N/A
Wellington	14,835,439	1.1%	1.0%	9.31%	3.58%	13,909,184	1.1%	1.0%	11.59%	14,027,503	1.2%	1.0%	17.22%	42.97%	5.97%	N/A	N/A
Total Small Cap - Active	29,034,681	2.2%	2.0%	9.28%	2.96%	27,843,677	2.2%	2.0%	12.90%	27,398,271	2.3%	2.0%	13.94%	40.58%	1.75%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				12.80%	5.20%				13.31%				15.95%	48.20%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	139,073,154	10.6%	10.0%	4.43%	0.48%	140,853,620	11.1%	10.0%	13.97%	125,607,470	10.7%	10.0%	8.04%	28.58%	-8.22%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				4.09%	0.33%				13.15%				6.58%	25.53%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																	
<i>Capital Guardian</i>	78,829,987	6.0%	5.0%	9.14%	1.54%	72,232,247	5.7%	5.0%	14.85%	66,631,691	5.7%	5.0%	14.62%	43.66%	7.15%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				9.71%	1.28%				17.81%				14.23%	47.64%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	40,257,366	3.1%	3.2%	2.82%	0.86%	35,371,780	2.8%	3.2%	1.24%	34,417,610	2.9%	3.1%	-0.47%	3.61%	13.42%	11.88%	8.58%
<i>Lehman Aggregate</i>				2.66%	0.75%				0.32%				-0.15%	2.83%	10.39%	10.07%	7.54%
<i>Active Duration</i>																	
WestAM (Criterion)	35,624,737	2.7%	3.2%	2.44%	0.74%	34,671,173	2.7%	3.2%	0.31%	34,018,566	2.9%	3.1%	-0.40%	2.36%	9.93%	9.39%	6.85%
<i>Lehman Aggregate</i>				2.66%	0.75%				0.32%				-0.15%	2.83%	10.39%	10.07%	7.54%
<i>Index</i>																	
Bank of ND	63,084,348	4.8%	5.0%	3.09%	0.98%	54,493,573	4.3%	4.9%	-0.10%	54,655,238	4.7%	4.8%	-0.73%	2.23%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	12,808,593	1.0%	1.0%	0.87%	0.43%	13,540,670	1.1%	1.1%	1.41%	13,516,361	1.2%	1.2%	1.43%	3.76%	5.83%	5.84%	5.85%
Total Index	75,892,941	5.8%	6.0%	2.61%	0.87%	68,034,243	5.3%	6.0%	0.23%	68,171,600	5.8%	6.0%	-0.21%	2.63%	10.77%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				3.08%	0.92%				-0.03%				-0.50%	2.53%	13.15%	10.82%	7.83%

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	March-04					December-03				September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Quarter		Market Value	Allocation	Quarter		Fiscal YTD	FY03	Ended	Ended
		Actual	Policy	Net ROR	Net ROR									Net ROR	Net ROR	6/30/2003	6/30/2003
																Net	Net
Convertibles																	
TCW	39,391,315	3.0%	3.2%	2.53%	-0.44%	38,305,398	3.0%	3.2%	10.00%	35,017,988	3.0%	3.1%	1.84%	14.87%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				3.60%	0.44%				8.54%				2.67%	15.44%	15.35%	-3.81%	N/A
BBB Average Quality																	
Strong	39,053,023	3.0%	3.2%	3.37%	1.01%	35,035,789	2.8%	3.2%	1.47%	34,720,841	3.0%	3.1%	0.16%	5.05%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				3.41%	0.97%				1.22%				0.27%	4.96%	18.33%	9.91%	N/A
Timberland																	
Evergreen (Wachovia)	69,402,018	5.3%	5.3%	1.96%	-0.05%	67,777,483	5.3%	5.3%	6.11%	64,138,631	5.5%	5.5%	-0.15%	8.03%	12.50%	N/A	N/A
																N/A	N/A
TOTAL DOMESTIC FIXED INCOME	299,621,400	22.8%	24.0%	2.62%	0.52%	279,195,865	21.9%	24.0%	3.16%	270,485,236	23.1%	24.0%	0.11%	5.98%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				2.66%	0.75%				0.32%				-0.15%	2.83%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																	
Western Asset	65,854,837	5.0%	5.0%	1.39%	0.65%	64,957,984	5.1%	5.0%	5.54%	61,549,306	5.3%	5.0%	1.99%	9.13%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				2.34%	0.68%				5.91%				2.77%	11.40%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	31,413,185	2.4%	2.5%	1.43%	1.66%	30,970,189	2.4%	2.5%	6.49%	27,027,414	2.3%	2.5%	3.18%	11.45%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				1.57%	1.56%				6.71%				2.75%	11.36%	17.91%	8.10%	6.29%
International Core																	
Brandywine	31,874,617	2.4%	2.5%	1.75%	0.79%	31,323,368	2.5%	2.5%	7.30%	26,451,362	2.3%	2.5%	1.51%	10.82%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-0.93%	-1.13%				6.77%				2.76%	8.70%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	63,287,803	4.8%	5.0%	1.60%	1.23%	62,293,557	4.9%	5.0%	6.91%	53,478,776	4.6%	5.0%	2.34%	11.16%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				1.57%	1.56%				6.71%				2.75%	11.36%	17.91%	8.10%	6.29%
REAL ESTATE																	
JMB	15,974			0.02%	0.02%	16,912			12.83%	26,405			-8.75%	2.98%	-18.62%	-5.76%	0.42%
INVESCO	33,002,324			1.88%	0.55%	32,830,521			2.16%	25,898,627			0.37%	4.47%	8.15%	8.00%	7.69%
J.P. Morgan	33,214,897			1.95%	0.73%	32,580,709			3.16%	31,584,102			2.43%	7.71%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	66,233,194	5.0%	5.0%	1.96%	0.63%	65,428,141	5.1%	5.0%	2.63%	57,509,135	4.9%	5.0%	1.36%	6.06%	7.97%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				2.56%	0.85%				2.76%				1.97%	7.46%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																	
Brinson IVCF II	187,615			-5.80%	-4.62%	199,179			11.72%	275,245			-0.23%	4.99%	-7.44%	-23.62%	10.02%
Coral Partners II	118,546			1.20%	0.00%	115,719			2.23%	167,358			9.73%	13.52%	10.56%	-36.34%	-15.79%
Coral Partners V	10,236,433			0.00%	0.00%	10,466,835			-1.26%	10,093,446			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	732,698			66.55%	0.00%	520,734			-0.95%	525,087			-15.67%	39.12%	-28.36%	N/A	N/A
Coral Partners VI	3,954,096			-5.08%	0.00%	1,568,769			-4.63%	1,642,935			-12.18%	-20.50%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,853,702			4.04%	4.04%	1,783,176			2.36%	1,842,152			4.07%	10.84%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,438,328			5.59%	6.98%	2,392,327			4.99%	2,275,838			0.98%	11.94%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	4,221,412			3.85%	3.85%	4,068,297			2.47%	3,659,166			0.67%	7.13%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,599,399			3.95%	1.55%	1,246,887			-1.11%	1,259,372			0.43%	3.24%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	1,167,345			1.28%	5.43%	843,278			-1.16%	852,192			12.21%	12.32%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	168,543			2.18%	2.18%	82,400			-0.24%	82,498			-3.58%	-1.71%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,258,416			10.02%	10.02%	1,144,744			5.58%	1,246,189			6.32%	23.50%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,676,376			8.72%	8.72%	1,543,173			0.52%	1,533,423			2.82%	12.37%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	1,064,920			6.10%	6.10%	848,296			1.18%	837,408			7.50%	15.40%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,550,028			8.66%	8.66%	1,285,056			0.96%	1,158,626			3.71%	13.77%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	218,308			-0.37%	-0.37%	219,289			0.05%	75,361			-0.05%	-0.37%	N/A	N/A	N/A
Brinson BVCF IV	6,718,008			14.62%	0.00%	5,866,060			-3.67%	6,082,204			-1.02%	9.29%	-14.64%	-18.80%	N/A
Mattlin Patterson Global Opportunities	13,232,259			0.47%	4.91%	13,740,120			10.99%	12,364,863			0.00%	11.50%	N/A	N/A	N/A
InvestAmerica	1,603,997			-7.73%	-7.73%	1,739,848			0.00%	1,737,784			0.00%	-7.73%	-12.50%	N/A	N/A
Hearthstone MSII	817,268			0.00%	0.00%	1,973,922			15.36%	2,348,807			5.06%	21.20%	28.98%	13.57%	N/A
Hearthstone MSIII	4,462,336			-0.85%	-0.85%	4,988,857			0.00%	293,462			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	59,280,033	4.5%	5.0%	3.24%	2.27%	56,636,966	4.4%	5.0%	3.18%	50,353,415	4.3%	5.0%	-0.91%	5.56%	-9.65%	-13.02%	0.04%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	9,289,514	0.7%	1.0%	0.36%	0.14%	6,680,284	0.5%	1.0%	0.32%	14,952,391	1.3%	1.0%	0.35%	1.03%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.24%	0.08%				0.26%				0.25%	0.74%	1.52%	3.33%	4.07%
TOTAL FUND	1,314,818,252	100.0%	100.0%	3.41%	0.24%	1,274,015,774	100.0%	100.0%	9.11%	1,170,484,789	100.0%	100.0%	3.84%	17.16%	5.46%	-1.91%	2.68%
POLICY TARGET BENCHMARK				3.16%	0.19%				8.24%				3.39%	15.44%	4.63%	-2.62%	2.52%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.